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April 24, 2001

CareFirst, Inc.
c/o Credit Suisse First Boston Corporation
Seven Madison Avenue, 23rd Floor
New York, New York 10010-3629

Attention: Benjamin C. Adams, Director

Ladies and Gentlemen:

WellPoint Health Networks Inc. ("WellPoint") is pleased to respond to the issues raised by Credit Suisse First Boston ("CSFB") with our March 2, 2001 proposal regarding a potential transaction with CareFirst, Inc. ("CareFirst"), as well as the modifications thereto in WellPoint's letters of March 15, 2001 and March 19, 2001. In an April 18, 2001 conference call, CSFB asked WellPoint to clarify its position on the following:

1. Purchase Price.

WellPoint is willing to further increase the purchase price by \$50 million to a total of \$1.3 billion, subject to confirmatory due diligence.

2. Minimum "Average Purchaser Stock Price".

WellPoint is willing to further lower the minimum share price to \$70.00. Also, as stated in our March 19 letter, WellPoint would be obligated to maintain the aggregate purchase price (now revised up to \$1.3 billion), should the "Average Purchaser Stock Price" fall below the minimum, with a subordinated note to the sellers in place of WellPoint common stock.

3. Upside participation in the form of a higher purchase price in the event WellPoint's stock price improves.

WellPoint's original March 2 proposal contained moderate downside protection for WellPoint in relation to (i) CareFirst's financial performance and (ii) WellPoint's stock price performance. As a result of discussions with CSFB, WellPoint's downside protection has been severely diluted, as reflected in our letters of March 15, March 19, and April 24. In consideration of the substantial improvement in the terms of our March 2 proposal, and in light of the significant increase in purchase price, we are unable to offer upside participation.

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4. Dollar amount of, and trigger for, the termination fee.

As you know, the termination provision is very important to WellPoint. We are willing to lower the break-up fee in our proposal to \$37.5 million. However, we believe this fee should be due and payable to WellPoint upon CareFirst's termination of the purchase agreement, and believe that, in practice, this would not impede CareFirst's ability to execute a superior transaction with a third party.

5. Litigation closing contingency: WellPoint should instead rely on a MAC or an Injunction.

WellPoint believes that this unprecedented transaction could be the subject of many unexpected and unusual developments which, in turn, could affect the parties' expectations of the transaction. In this situation, we believe a MAC or injunction is too high a standard. We are, however, willing to discuss modifications to our March 2 proposal and invite you to review the approach utilized in the Cerulean transaction.

6. CareFirst Board members' participation on local advisory boards under the current compensation schedule for two years.

WellPoint values the knowledge and expertise inherent in the CareFirst Board and intends to invite each member to serve an initial two-year term on an advisory board at their current compensation. Thereafter, continued service and fees would be governed by the advisory board policies, as is the case in California and Georgia.

7. Purchase Agreement.

WellPoint has received and reviewed CareFirst's most recent draft of the purchase agreement. We believe that, if both parties exhibit reason and flexibility, it should not be difficult to finalize the purchase agreement.

We remain excited about this opportunity, and look forward to the next step in this process. Please call if you have any questions.

Sincerely,

D. C. Cuy